

From: Tom Dyess
To: Microsoft ATR
Date: 1/24/02 12:12pm
Subject: Microsoft Settlement

Dear Sir,

As a software developer, I am deterred from creating any type of software because of the Microsoft Corporation. Let me explain. If I were to create a software product and release it, one of two things could happen.

First, it would be a great hit, thousands of customers would purchase my company's software boosting the bottom line. I would be thoroughly interested in reinvesting the monies earned from sales into a larger, more robust product, a larger sales force, a larger customer service technician force, and a larger accounting and MIS department to coordinate it all. This would be a wonderful scenario except one thing; if Microsoft saw that it was making money, or saw that it was in any way a threat to their hegemony, they would force me to sell at a depreciated price or threaten to crush the company, putting all my work to rest and all my employees out of work. Under normal circumstances, this would be competitive, but in Microsoft's case it is not.

Similar to Rockefeller, Microsoft takes earnings from one branch of their company, lets say Office or Windows and allocates them to a new branch. Rockefeller executes similar techniques when he took the profits from one town to undercut his competition in another, this eliminating the competition. Once the competition in the new geographic location was removed, he could then raise his prices in that location. This has been done to stiffen competition from their Internet Explorer, Windows Media Player, and other products.

Second, I could purposely retard marketing and promotion in the hopes that I could keep my software "under the radar" of Microsoft so I could keep my company. Unfortunately without a well planned and executed marketing campaign, I cannot hire the new developers, new sales force, new customer service representatives and new accounting and MIS teams. Microsoft already has these teams in place and would hire much fewer if any new employees.

Furthermore, since my company was either bought out or purposely reined, other companies would not form to support my software. No new companies to make plugins would form, I could not offload the documentation to a third party, and I would be too small to hire outside consultants to improve my software.

Much of the innovation has been decapitated in this way. Software visionaries, even with a brilliant product that would branch off the technology sector with a totally new discipline would eventually face the obstacle of Microsoft "competing" as they call it for the niche. The rhetorical question of "Why bother?" comes to mind. Why exerting the blood, sweat and tears of building a company when it will just be bought out at a huge discount, or merely squashed into a quickly fading memory by a company who discovers that this new niche can make money.

Restricting Microsoft will, in the short term, harm the technology sector, but to use an analogy, if you cut a flower off a branch properly, two will grow in it's place. There is no doubt that Microsoft has done wonders for the technology sector, but their wonders are now self-fulfilling. Their only interest is making

money, and they no longer need to accomplish that through innovation, which would make money for the entire industry rather than a single company.

Thank you for your interest,

Tom Dyess

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